

Message Text

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PAGE 01 VIENNA 03756 01 OF 02 222224Z
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LIMITED OFFICIAL USE SECTION 01 OF 02 VIENNA 03756

UNIDO

E.O. 11652:N/A
TAGS: OCON , PORG, UNIDO
SUBJECT: UNIDO PERMANENT COMMITTEE, TENTH SESSION: AGENDA
- ITEM 4(A) REPORT OF THE EXECUTIVE DIRECTOR

1. ID/B/200, THE EXECUTIVE DIRECTOR'S ANNUAL REPORT FOR 1977, IS ANALAGOUS IN FORMAT, CONTENT AND LENGTH TO HIS RECENT ANNUAL REPORTS TO THE IDB. HOWEVER, A NUMBER OF SECTIONS HAVE BEEN RE-SHUFFLED, SOME BEING COMBINED INTO SINGLE CHAPTERS (SUCH AS CENTRAL MANAGEMENT, POLICY COORDINATION AND PUBLIC INFORMATION INTO NEW CHAPTER VI) AND A NEW CHAPTER ON SPECIAL PROGRAMS (CHAPTER IV), HIGHLIGHTING THE SYSTEM OF CONSULTATION, HAS BEEN ADDED. MUCH OF THE REPORT IS A ROUTINE, DETAILED REVIEW OF UNIDO ACTIVITIES. FOLLOWING PARAGRAPHS IDENTIFY VARIOUS POINTS OF INTEREST, AND SUGGEST COMMENTS U.S.DEL MIGHT MAKE AS APPROPRIATE DURING THE DEBATE ON AGENDA ITEM 4(A).

2. EXECUTIVE DIRECTOR'S FOREWORD IS DOWNBEAT, ESPECIALLY IN COMPARISON WITH THE RATHER OPTIMISTIC NOTE SOUNDED IN THE 1976 REPORT. HE STATES THAT UNIDO'S CONTRIBUTION TO

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PAGE 02 VIENNA 03756 01 OF 02 222224Z

THE OVERALL EFFORTS OF LDC'S TO INDUSTRIALIZE "HAS REMAINED VERY MODEST INDEED." HE BLAMES THIS ON "THE MEAGER RESOURCES MADE AVAILABLE" TO MEET ACTUAL NEEDS OF LDC'S, CITING PARTICULARLY THE FAILURE TO MEET "WHAT HAD BEEN PERCEIVED TO BE A COMMITMENT ON THE PART OF CIEC PARTICIPANTS" TO HAVE SOME \$50 MILLION PLEDGED YEARLY TO THE IDF. U.S. DEL MIGHT REFER TO THE TABLE ON PAGE 144 TO DEMONSTRATE

THAT RESOURCES AVAILABLE TO UNIDO ARE BY NO MEANS "MEAGER", NOTING THAT BOTH THE REGULAR BUDGET AND TOTAL EXPENDITURES ARE ESTIMATED TO INCREASE BY ABOUT 50 BETWEEN 1976-1979.

3. FOREWORD HIGHLIGHTS THREE OF UNIDO'S ACTIVITIES: DEVELOPMENT AND TRANSFER OF TECHNOLOGY, SYSTEM OF CONSULTATIONS, AND THE INVESTMENT COOPERATIVE PROGRAM.

(A) U.S. DEL MIGHT EXPRESS ITS SATISFACTION AT EMPHASIS ON TECHNOLOGY TRANSFER AND PARTICULARLY THE WORK RELATING TO THE ROLE OF APPROPRIATE TECHNOLOGY IN STRATEGIES OF INDUSTRIAL GROWTH AS DESCRIBED ON PAGE 102, PARA 44. DEPENDING ON STATE OF WASHINGTON'S CONSIDERATION, U.S. DEL MIGHT USE THIS OPPORTUNITY TO EXPRESS USG SUPPORT FOR GLOBAL FORUM ON APPROPRIATE TECHNOLOGY SCHEDULED FOR NEW DELHI IN NOVEMBER 1978.

(B) U.S. DEL MIGHT ALSO EXPRESS ITS SATISFACTION WITH THE INVESTMENT PROGRAM WHICH RECOGNIZES IMPORTANT CONTRIBUTIONS WHICH THE PRIVATE SECTOR IN INDUSTRIALIZED COUNTRIES CAN MAKE TO INDUSTRIALIZATION IN LDC'S.

(C) U.S. DEL COULD AGREE THAT THE SYSTEM OF CONSULTATIONS SHOWS PROMISE, NOT ONLY BECAUSE THE DISCUSSIONS ALLOW THE PARTICIPANTS "TO BECOME MORE AWARE OF THE GLOBAL DIMENSIONS OF THE LIMA TARGET "AS SUGGESTED BY THE EXDIR, BUT BECAUSE THEY PERMIT AN OPEN EXCHANGE OF LIMITED OFFICIAL USE

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PAGE 03 VIENNA 03756 01 OF 02 222224Z

VIEWS BETWEEN INDUSTRIALISTS, UNIONISTS, RESEARCHERS, AND OTHERS DIRECTLY ENGAGED IN THE INDUSTRY SECTOR AND RESULT IN A MORE REALISTIC ASSESSMENT OF BOTH THE OPPORTUNITIES AND CONSTRAINTS FACING THE LDC'S AND, ACCORDINGLY, IN THE DEVELOPMENT OF PRAGMATIC FOLLOW-UP PROGRAMS.

4. THE U.S. DEL MIGHT NOTE THE EXDIR'S CHARGE TO THE PUBLIC INFORMATION SECTION IN THE MIDDLE OF PARA 5 OF THE FOREWORD, POINTING OUT THAT USG FAVORS THE PRINCIPLE OF INFORMATION DISSEMINATION, BUT THAT THIS INFORMATION SHOULD BE OBJECTIVE AND FACTUAL; ULTIMATELY, THE DESIRED FAVORABLE PUBLIC ATTITUDE MENTIONED ON PAGE 15, PARA 147, WILL DEPEND UPON UNIDO'S PERFORMANCE, AND IN PARTICULAR THE EFFECTIVENESS WITH WHICH IT UTILIZES ITS RESOURCES TO CARRY OUT ITS RESPONSIBILITIES.

5. IN PARA 10 OF THE FOREWORD, THE EXDIR "FAILS TO UNDERSTAND THE REASONS FOR THE DIFFICULTY IN COMING TO AN AGREEMENT" ON TRANSFORMATION OF UNIDO INTO A SPECIALIZED AGENCY. U.S. DEL MIGHT NOTE THE IMPORTANCE OF DEVELOPING A CONSTITUTION WHICH WILL COMMAND UNIVERSAL SUPPORT, INCLUDING

SUPPORT IN THE CAPITALS OF THE MAJOR FINANCIAL CONTRIBU-
TORS WHO WILL BE CALLED UPON TO RATIFY THE CONSTITUTION
AND INDICATE USG'S WILLINGNESS TO CONTINUE NEGOTIATING IN
GOOD FAITH TOWARD THAT END.

6. FOOTNOTE ON PAGE 1 SHOWS THAT SUPPORT COSTS AS A PER-
CENTAGE OF PROJECT DELIVERY ARE CONTINUING TO CREEP UP
(FROM 23.9 PERCENT IN 1975 TO 26.3 PERCENT IN 1977). U.S.
DEL MIGHT EXPRESS CONCERN ABOUT THIS TREND AND ASK FOR EX-
PLANATIONS.

7. CHAPTER I, PARA 21 BRUSHES OVER THE SUBJECT OF EVALUA-

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PAGE 01 VIENNA 03756 02 OF 02 222224Z
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LIMITED OFFICIAL USE SECTION 02 OF 02 VIENNA 03756

TION WHICH WAS A KEY ISSUE AT PC-IX. U.S.DEL MIGHT RECALL
THE CONSENSUS AT PC-IX THAT THE SECRETARIAT SHOULD DEVOTE
MORE ATTENTION TO EVALUATION AND EXPRESS SATISFACTION
THAT OTHER DOCUMENTS BEFORE THIS SESSION OF PC CONFIRM
THAT SECRETARIAT IS DOING SO.

8. CHAPTER II.

(A) PARA 6: U.S.DEL MIGHT UNDERLINE SECRETARIAT'S CON-
CERN ABOUT THE PROBLEM OF NON-CONVERTIBLE CURRENCIES
AND ASK FOR AN UPDATE REGARDING PROGRESS IN INCREASING
UTILIZATION OF THESE CURRENCIES.

(B) PARA 9: U.S.DEL MIGHT EXPRESS CONCERN OVER UNDER-
UTILIZATION OF TRAINING FUNDS AND ASK WHAT EFFORTS ARE
BEING MADE TO IMPROVE THE SITUATION.

(C) PARA 12: U.S.DEL MIGHT ASK FOR FURTHER EXPLANATION OF "PERIODIC MONITORING SYSTEM" AND WHETHER IT IS INTENDED TO BECOME AN ELEMENT IN PROJECT EVALUATION SYSTEM.

(D) PARA 13: U.S.DEL MIGHT EXPRESS SATISFACTION WITH LIMITED OFFICIAL USE

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PAGE 02 VIENNA 03756 02 OF 02 222224Z

UNIDO'S INITIATIVE IN DEVELOPING "THE RECRUITMENT OF HIGH LEVEL EXPERTISE DIRECTLY FROM INDUSTRY" AS CONTRIBUTING TO THE REDUCTION OF TIME LAG IN IMPLEMENTING, PARTICULARLY, SHORT-TERM PROJECTS.

(E) PARA 15: U.S.DEL MIGHT AFFIRM ITS BELIEF IN THE IMPORTANCE OF TRAINING OF COUNTERPART PERSONNEL IN THE LDC'S.

(F) PARA 26: U.S.DEL MIGHT ASK FOR EXPLANATION OF SHIFTS IN THE REGIONAL SHARES OF UNIDO'S TECHNICAL ASSISTANCE DELIVERY, PARTICULARLY THE DECLINE IN THE SHARE OF AFRICA WHERE SO MANY OF THE LEAST DEVELOPED COUNTRIES ARE LOCATED.

9. CHAPTER III. PARA 48.

(A) U.S.DEL MIGHT EXPRESS INTEREST IN AND SUPPORT IN PRINCIPLE FOR UNIDO'S NEW APPROACH TO INDUSTRIAL INFORMATION SYSTEMS, I.E., AS A SERVICE TO CHAMBERS OF COMMERCE, ETC.

(B) PARA 177. U.S.DEL MIGHT COMMEND UNIDO'S EFFORTS TO ACT AS AN "HONEST BROKER" BETWEEN PROJECT SPONSORS AND POTENTIAL INVESTORS AS BEING A RIGHT STEP IN PROMOTING PRIVATE SECTOR INVESTMENT; U.S.DEL SHOULD STRESS IMPORTANCE OF A CLIMATE CONDUCIVE TO CONFIDENCE ON THE PART OF THE POTENTIAL FOREIGN INVESTORS.

(C) PARAS 172(C) AND 182: U.S.DEL MIGHT EXPRESS AGREEMENT WITH UNIDO'S DEFINITION OF REDEPLOYMENT AS AN EVOLUTIONARY CONCEPT INVOLVING THE FLOW OF PRODUCTIVE CAPACITIES -- SPECIFICALLY, THOSE BRANCHES OF INDUSTRY LIMITED OFFICIAL USE

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PAGE 03 VIENNA 03756 02 OF 02 222224Z

IN DEVELOPED COUNTRIES THAT HAVE BECOME UNCOMPETITIVE ON ACCOUNT OF ECONOMIC STRUCTURAL CHANGES -- FROM A DEVELOPED TO A DEVELOPING COUNTRY, ON THE BASIS OF

MUTUAL INTEREST OF THE PARTIES INVOLVED; U.S.DEL MIGHT
EXPRESS ITS SATISFACTION THAT UNIDO INTENDS TO "DEAL
DIRECTLY WITH THE PRIVATE SECTOR IN THE INDUSTRIALIZED
MARKET-ECONOMY COUNTRIES" (PARA 186) ON THIS MATTER.
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